

## Report to Corporate Services Committee

**To:** Chair and Members  
Corporate Services Committee

**From:** Anna Lisa Barbon, CPA, CGA, Deputy City Manager, Finance Supports

**Subject:** Argyle Business Improvement Association 2024 Proposed Budget – Municipal Special Levy

**Date:** January 15, 2024

## Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the following actions be taken with respect to the Argyle Business Improvement Association:

- a. The Argyle Business Improvement Association proposed 2024 budget submission in the amount of \$493,000 **BE APPROVED** as outlined in Schedule “A”.
- b. The amount to be raised by The Corporation of the City of London for the 2024 fiscal year for the purposes of the Argyle Business Improvement Association and pursuant to subsection 208(1) of the Municipal Act, 2001 **BE FIXED** at \$315,000.
- c. A special charge **BE ESTABLISHED** for the amount referred to in part b, above, by a levy in accordance with By-law A.-6873-292 as amended; it being noted that the special charge shall have priority lien status and shall be added to the tax roll pursuant to subsection 208(7) of the Municipal Act, 2001; and
- d. The attached by-law (Schedule “C”) with respect to Municipal Special Levy for the Argyle Business Improvement Association **BE INTRODUCED** at the Municipal Council meeting on January 23, 2024.

## Linkage to the Corporate Strategic Plan

Council’s 2023 to 2027 Strategic Plan for the City of London identifies “Economic Growth, Culture, and Prosperity” as a strategic area of focus. This involves working better together for economic growth with Business Improvement Areas (BIA’s) of London and continuing to build strong working relationships with such community partners. In line with these areas of focus, the City provides guidance to the BIA’s in regard to establishment and ongoing business and financial operations. The City also acts as the intermediary with respect to collecting the approved levy amounts which fund services provided to the BIA members and thus promote continued growth in London’s economy.

## Analysis

### 1.0 Background Information

#### 1.1 Previous Reports Related to this Matter

Corporate Services Committee, January 9, 2023, Agenda item 2.1, Argyle Business Improvement Area 2023 Proposed Budget – Municipal Special Levy. The report can be found on the City’s website by visiting:

<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=96243>

#### 1.2 What is a “Business Improvement Area”?

The Province defines a Business Improvement Area (BIA) as an “innovation that allows local business people and commercial property owners and tenants to join together and, with the support of the municipality, to organize, finance, and carry out physical improvements and promote economic development in their district. Traditionally, a BIA is a body established by a municipality using the specific business improvement area provisions in the Municipal Act, 2001. It is governed by a board of management. Once a traditional BIA is approved by municipal council, businesses within its

boundaries become members and pay the BIA levy along with their property taxes.” Further information regarding the functions, activities and benefits of BIA’s can be found here: <https://www.ontario.ca/document/business-improvement-area-handbook/introduction-business-improvement-areas>

## 2.0 Financial Impact/Considerations

Under subsection 205(2) of the Municipal Act, 2001, a business improvement area (BIA) must submit an annual budget to Council that Council may approve in whole or in part but may not add expenditures. The Argyle Business Improvement Association has met this requirement in Schedule “A”, noting the 2024 total expenditure budget of \$493,000.

On October 19, 2023, the Board of Management of the Argyle Business Improvement Association (ABIA) approved the 2024 budget (Schedule “A”) which was presented to the members at the Annual General Meeting on November 8, 2023.

Civic Administration provides the following comments based on its review of the submission:

- a) The ABIA submitted a 2024 budget of \$493,000, which represents an increase of \$197,380 (66.8%) compared to its 2023 budget of \$295,620. The total increase in revenue is a result of the following:
  - i. The Municipal Special Levy increased by \$100,000 to \$315,000. This 46.5% increase is a board decision to help offset increasing costs.
  - ii. The Draw from Operating Fund increased in 2024 by \$88,180 to \$145,000 in 2024 primarily due to special one-time COVID-19 Business Relief Funding approved by Municipal Council. This funding was received late in 2023 so could not be expended until 2024.
- b) Significant changes to expenditures in 2024 include:
  - i. Wages and Benefits – an increase of \$16,000 is budgeted for increased administrative staff and annual staff pay increases.
  - ii. Rent and Utilities – an increase of \$10,500 is budgeted due to inflationary increases built into rental contract.
  - iii. Student Wages and Benefits – an increase of \$7,000 is budgeted due to hiring additional summer students with Canada Summer Jobs funding.
  - iv. Communications & Marketing – an increase of \$25,000 is budgeted due to additional radio ads and social media sponsorships.
  - v. COVID-19 Business Relief – an increase of \$125,000 for this one-time funding approved in late 2023, the majority of the expenditures will likely carry over into 2024.

At the time of submitting this report, the audited 2023 financial statements were unavailable. Estimates received by ABIA indicated that there is a projected year-end surplus of \$73,501 for 2023. The unaudited projected December 31, 2023 Operating Fund balance is \$226,404. The year-end fund balance is presented in Schedule “B”.

## Conclusion

The owners of business property within the BIA will be responsible for payment of \$315,000 to be raised by the Corporation for the 2024 fiscal year for the purposes of the ABIA and pursuant to subsection 208(1) of the Municipal Act, 2001. Upon Council approval, the City of London will pay the ABIA 50% of the budgeted Municipal Special Levy amount, with the remaining 50% to be paid on or after June 30<sup>th</sup>.

**Prepared by:** Dylan Dubois, CPA, Financial Business Administrator  
Alan Dunbar, CPA, CGA, Manager, Financial Planning and Policy

**Submitted by:** Kyle Murray, CPA, CA, Director, Financial Planning and Business Support

**Recommended by:** Anna Lisa Barbon, CPA, CGA, Deputy City Manager, Finance Supports

## Schedule "A"

### Argyle Business Improvement Association 2024 Proposed Budget with 2023 Comparators Revenue Overview

Revenue Detail:	2022 Audited Actuals	2023 Approved Budget	2023 Projected Actuals	2023 Projected Variance	2024 Proposed Budget	Percentage of Total Revenue	Increase/ Decrease over 2023	Percentage Budget Change over 2023
Municipal Special Levy	215,000	215,000	215,000	0	315,000	63.9%	100,000	46.5%
Tax Write Offs/Allowance	0	0	0	0	0	0.0%	0	N/A
<b>Net Municipal Special Levy</b>	<b>215,000</b>	<b>215,000</b>	<b>215,000</b>	<b>0</b>	<b>315,000</b>	<b>63.9%</b>	<b>100,000</b>	<b>46.5%</b>
Draw from Operating Fund	0	56,820	0	-56,820	145,000	29.4%	88,180	155.2%
COVID-19 Business Relief Funding	0	0	125,000	125,000	0	0.0%	0	N/A
Gift Card Program Grant	27,573	0	0	0	0	0.0%	0	N/A
Digital Main Street	12,936	0	0	0	0	0.0%	0	N/A
Government Student Funding	6,223	15,000	14,665	-335	22,000	4.5%	7,000	46.7%
Interest Income	1,130	300	1,330	1,030	1,500	0.3%	1,200	400.0%
HST Rebate	0	5,000	12,065	7,065	5,000	1.0%	0	N/A
City of London Patio Improvement Grant	1,790	0	0	0	0	0.0%	0	N/A
Santa Claus Parade Sponsorship	0	3,500	3,500	0	4,500	0.9%	1,000	28.6%
Miscellaneous Income	7,655	0	304	304	0	0.0%	0	N/A
<b>Total Revenue</b>	<b>272,307</b>	<b>295,620</b>	<b>371,864</b>	<b>76,244</b>	<b>493,000</b>	<b>100.0%</b>	<b>197,380</b>	<b>66.8%</b>

## Expenditure Overview

Expenditure Detail:	2022 Audited Actuals	2023 Approved Budget	2023 Projected Actuals	2023 Projected Variance	2024 Proposed Budget	Percentage of Total Expenditures	Increase/ Decrease over 2023	Percentage Budget Change over 2023
<b>Administration</b>								
Salaries	96,833	89,000	91,000	-2,000	105,000	21.3%	16,000	18.0%
Student Wages and Benefits	0	15,000	14,665	335	22,000	4.5%	7,000	46.7%
Seasonal / PT Wages	0	7,000	7,000	0	0	0.0%	-7,000	-100.0%
EI / CPP	0	6,500	6,500	0	9,000	1.8%	2,500	38.5%
Telephone and Internet	906	1,200	1,000	200	1,200	0.2%	0	N/A
Banking Charges	0	100	35	65	100	0.0%	0	N/A
Insurance	1,838	2,000	1,900	100	2,000	0.4%	0	N/A
Bookkeeping, Audit and Professional Fees	8,570	9,000	8,670	330	9,000	1.8%	0	N/A
Alarm System	0	0	1,355	-1,355	600	0.1%	600	0.0%
Repairs and Maintenance	0	1,500	1,320	180	1,500	0.3%	0	N/A
Training/ Conferences	1,638	2,100	1,848	252	2,300	0.5%	200	9.5%
OBIAA Membership	602	700	700	0	700	0.1%	0	N/A
Travel and Transportation	0	200	200	0	200	0.0%	0	N/A
Office Administration	570	0	0	0	0	0.0%	0	N/A
Office Supplies	2,870	3,000	2,500	500	3,000	0.6%	0	N/A
Postage and Courier	0	200	0	200	200	0.0%	0	N/A
Website Hosting and Domain	0	120	120	0	200	0.0%	80	66.7%
<b>Total Administration</b>	<b>113,827</b>	<b>137,620</b>	<b>138,813</b>	<b>-1,193</b>	<b>157,000</b>	<b>31.8%</b>	<b>19,380</b>	<b>14.1%</b>

Expenditure Detail:	2022 Audited Actuals	2023 Approved Budget	2023 Projected Actuals	2023 Projected Variance	2024 Proposed Budget	Percentage of Total Expenditures	Increase/ Decrease over 2023	Percentage Budget Change over 2023
<b>Rent</b>								
Rent and Utilities	22,297	22,500	31,000	-8,500	33,000	6.7%	10,500	46.7%
<b>Total Rent</b>	<b>22,297</b>	<b>22,500</b>	<b>31,000</b>	<b>-8,500</b>	<b>33,000</b>	<b>6.7%</b>	<b>10,500</b>	<b>46.7%</b>
<b>Business Development</b>								
<b>Communications and Marketing</b>								
Communications & Marketing	25,132	25,000	25,000	0	50,000	10.1%	25,000	100.0%
Digital Main Street	12,936	0	0	0	0	0.0%	0	N/A
<b>Beautification</b>								
Banner Redevelopment	0	0	0	0	5,000	1.0%	5,000	0.0%
Streetscape Improvement Program	0	4,000	1,000	3,000	4,000	0.8%	0	N/A
Planter Basket Program	22,800	20,000	24,850	-4,850	25,000	5.1%	5,000	25.0%
Banner Maintenance	1,658	2,500	1,700	800	2,000	0.4%	-500	-20.0%
Clean Streets Program	1,225	5,000	2,000	3,000	5,000	1.0%	0	N/A
<b>Community Well-Being Program</b>								
BIA Security Program	10,194	20,000	17,000	3,000	25,000	5.1%	5,000	25.0%
COVID-19 Business Relief	0	0	0	0	125,000	25.4%	125,000	0.0%
<b>Community Impact</b>								
Santa Claus Parade / Santa Community Event	20,212	20,000	20,000	0	20,000	4.1%	0	N/A
Gift Card Program	12,950	0	15,500	-15,500	10,000	2.0%	10,000	0.0%
Event Sponsorship Program	0	10,000	0	10,000	10,000	2.0%	0	N/A

Expenditure Detail:	2022 Audited Actuals	2023 Approved Budget	2023 Projected Actuals	2023 Projected Variance	2024 Proposed Budget	Percentage of Total Expenditures	Increase/ Decrease over 2023	Percentage Budget Change over 2023
<b>Business Development (Continued)</b>								
<b>Community Impact</b>								
Canada Day, Halloween, Argyle After Hours	272	7,000	7,000	0	10,000	2.0%	3,000	42.9%
Facade Improvement Grant	1,280	10,000	0	10,000	0	0.0%	-10,000	-100.0%
<b>Total Business Development</b>	<b>108,659</b>	<b>123,500</b>	<b>114,050</b>	<b>9,450</b>	<b>291,000</b>	<b>59.0%</b>	<b>167,500</b>	<b>115.4%</b>
<b>Other</b>								
Harmonized Sales Tax	1,889	2,000	2,000	0	2,000	0.4%	0	N/A
Amortization	2,352	0	2,500	-2,500	0	0.0%	0	N/A
Tax Write Offs	1,758	10,000	10,000	0	10,000	2.0%	0	N/A
<b>Total Other</b>	<b>5,999</b>	<b>12,000</b>	<b>14,500</b>	<b>-2,500</b>	<b>12,000</b>	<b>2.4%</b>	<b>0</b>	<b>N/A</b>
<b>Total Expenditure</b>	<b>250,782</b>	<b>295,620</b>	<b>298,363</b>	<b>-2,743</b>	<b>493,000</b>	<b>100.0%</b>	<b>197,380</b>	<b>66.8%</b>
<b>Net Surplus/ Deficit</b>	<b>21,525</b>	<b>0</b>	<b>73,501</b>	<b>73,501</b>	<b>0</b>			
<b>Draw from / (Contribution to) Operating Fund</b>	<b>-21,525</b>	<b>0</b>	<b>-73,501</b>	<b>-73,501</b>	<b>0</b>			
<b>Net</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			

All figures subject to audit.

All figures subject to rounding.

## Schedule “B”

### Operating Fund

<b>Operating Fund Balance 2022 Audited</b>	<b>152,903</b>
Draw from Operating Fund in 2023	0
2023 Projected Net Surplus	73,501
<b>Operating Fund Balance 2023 Projected</b>	<b>226,404</b>

All figures subject to audit.

All figures subject to rounding.

### Reserve Fund

<b>Reserve Fund Balance 2022 Audited</b>	<b>0</b>
Draw from Reserve Fund in 2023	0
2023 Contribution to Reserve Fund	0
<b>Reserve Fund Balance 2023 Projected</b>	<b>0</b>

All figures subject to audit.

All figures subject to rounding.

## Schedule “C”

Bill Number  
2024  
By-law Number

A by-law to raise the amount required for the purposes of the Argyle Business Improvement Association Board of Management for the year 2024 in accordance with section 208 of the Municipal Act, 2001.

WHEREAS subsection 5(3) of the Municipal Act, 2001 S.O. 2001, c.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the Municipal Act, 2001 provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS subsection 10(1) of the Municipal Act, 2001 as amended provides that a municipality may provide any service or thing that the municipality considers necessary or desirable for the public;

AND WHEREAS subsection 10(2) of the Municipal Act, 2001 as amended provides that a municipality may pass by-laws respecting; the financial management of the municipality (paragraph 3) and services or things that the municipality is authorized to provide under subsection 10(1) (paragraph 7);

AND WHEREAS By-law A.-6873-292, as amended, provides for an improvement area to be known as the Argyle Business Improvement Association and establishes a Board of Management for it known as the Argyle Business Improvement Association Board of Management;

AND WHEREAS subsection 208(1) of the Municipal Act, 2001 provides that the municipality shall annually raise the amount required for the purposes of the board of management (of a business improvement area);

AND WHEREAS section 23 of the Municipal Act, 2001 provides that without limiting sections 9, 10 and 11 those sections authorize a municipality to delegate its powers under the Municipal Act, 2001;

AND WHEREAS it is deemed expedient to pass this by-law;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. That the budget for the 2024 fiscal year submitted by the Argyle Business Improvement Association Board of Management attached as Schedule “A” is approved.
2. The amount to be raised by the Corporation for the 2024 fiscal year for the purposes of The Argyle Business Improvement Association Board of Management and pursuant to subsection 208(1) of the Municipal Act, 2001 is \$315,000.
3. A special charge is established for the amount referred to in section 2 of this by-law by a levy in accordance with By-law A.-6873-292, as amended.
4. The special charge referred to in section 3 of this by-law shall have priority lien status and shall be added to the tax roll pursuant to subsection 208(7) of the Municipal Act, 2001.



5. The administration of this by-law is delegated to the City Treasurer who is hereby authorized and directed to do such things as may be necessary or advisable to carry out fully the provisions of this by-law.
6. This by-law comes into force and effect on the day it is passed.

Josh Morgan, Mayor

Michael Schulthess, City Clerk

First Reading – January 23, 2024

Second Reading – January 23, 2024

Third Reading – January 23, 2024